MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

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FINAL EXAMINATION

TRIMESTER 2, 2017/ 2018

BHR3154 - LEADERSHIP

(All sections / Groups)

17 MARCH 2018
2.30pm – 4.30pm
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **FOUR (4)** pages with **TWO (2)** sections only.

2. Section A: **ONE (1)** Case Study. Attempt **ALL** questions.
   Section B: **FOUR (4)** Structured Questions. Attempt **THREE (3)** questions.

3. Please write all your answers in the answer booklet provided.

SECTION A: CASE STUDY (40 marks)

Justin Salisbury Tries a Little Recognition

Justin Salisbury is a super-franchiser for a larger chain of soup-and-sandwich shops. He owns twelve shops in the same region, having invested $2 million to own these stores. One-half the investment in the stores came from inheritance and investments Justin had made prior to becoming a franchiser. The other half of the money was borrowed, so Justin feels considerable pressure to earn enough gross profit from the stores to make his debt payments and earn a living.

Justin concluded that he needed to increase revenues from his stores about 15 percent in order to net enough profit for a comfortable living. He believed that his business processes were good enough to make a profit, and that the company was giving his franchise operations enough marketing and advertising support. Justin also thought that his managers were running efficient operations. He was concerned, however, that they weren't trying hard enough to achieve good customer service by encouraging the order takers at the stores to pay more attention to customers. For example, when Justin visited the stores (or sent a family member in his place), the order takers didn't smile enough or ask frequently enough, "What else would you like with your order?"

Justin decided that he shouldn't micromanage by telling the store managers how to motivate their staffs. Yet he decided to discuss with his managers what he wanted – more profit by doing a better job of motivating the order takers and cashiers. He also pointed out to his twelve store managers that he would be rewarding and recognizing their accomplishments in boosting store revenues. After consulting with the managers, Justin established the goal of a 15 percent increases in revenues within twelve months.

Two weeks after goal setting discussions with the store managers, Justin announced that he would be recognizing and rewarding attaining a 15 percent or better increase in revenue with two of the following forms of recognition:

- A small plaque designating the manager as a "Store Manager of the Year".
- A year's membership in an athlete club for the manager and a spouse or partner.
- A bonus equivalent to 2 percent of annual salary.
- Choice of an iPad or an iPod.
- An expense-paid trip for the manager and his or her family to one day at an amusement park or theme park.

Justin waited for responses from his managers to the proposed recognition plan. He received several e-mail messages acknowledging an appreciation of his program, yet no burst of enthusiasm. Justin thought to himself, "I guess the managers don't understand yet how great it feels to be recognized for making a tough financial target. I think that when they earn their recognition awards, I will see a lot more enthusiasm."

(Adapted from Leadership Case Problem; Andrew J. Dubrin (2013), Principles of Leadership, 7th Edition, South-Western Cengage Learning, p.232)

QUESTIONS

a. What advice can you give Justin Salisbury about the most likely motivational consequences of his recognition program?

(8 marks)

b. What other form of recognition should Justin offer the store managers?

(12 marks)

c. Would it be better for Justin to have a recognition program aimed directly at the order takers and cashiers than at their managers? Explain your reasoning.

(20 marks)

(Total: 40 marks)

Continued...

SECTION B: STRUCTURED QUESTIONS (60 marks)

Attempt THREE (3) questions only.

QUESTION 1

a. An advantage of recognition, including praise, as a motivator is that it is no cost or low cost yet powerful. Recognition thus has an enormous return on investment in comparison to a cash bonus. Explain **TWO (2)** suggestions for the motivational use of recognition and praise.

(8 marks)

b. The path-goal leadership effectiveness, as developed by Robert House, specifies what a leader must do to achieve high productivity and morale in a given situation. Illustrate with diagram your understanding of path-goal theory of leadership effectiveness.

(12 marks)
(Total: 20 marks)

QUESTION 2

a. Ethics is the study of moral obligations, or of separating right from wrong. While morals are an individual's determination of what is right or wrong. There are many reasons for differences in ethics and morality among leaders. Explain any **FOUR (4)** factors contributing to ethical differences.

(10 marks)

b. Management by inspiration is an important way to inspire others. Explain the **TWO (2)** major techniques used by leaders to articulate a highly emotional message.

(10 marks)
(Total: 20 marks)

QUESTION 3

A leader's inspiring personality alone can foster teamwork. Yet, inspirational leader, as well as less charismatic ones, can also encourage teamwork through their attitudes and what they do. Explain **FIVE (5)** actions that generally require organization structure or policy that foster teamwork.

(20 marks)

Continued...

QUESTION 4

Does heredity or environment contribute more to leadership effectiveness? Explain your answers based on the traits, motives, and characteristics required for leadership effectiveness.

(20 marks)

End of Paper